

APPENDIX G - FINANCIAL DOCUMENTATION

APPENDIX G-1 COMPOSITE OVERVIEW COST NEUTRALITY FORMULA

INSTRUCTIONS: Complete one copy of this Appendix for each level of care in the waiver. If there is more than one level (e.g. hospital and nursing facility), complete an Appendix reflecting the weighted average of each formula value and the total number of unduplicated individuals served.

LEVEL OF CARE: NF (Aged/Disabled)

PER CAPITA COSTS FOR:

YEAR	FACTOR D (Waiver Services*)	FACTOR D' (State Plan Services)	FACTOR G (Institutional Care)	FACTOR G' (State Plans)
1	9,430	6,915	20,900	2,721
2	9,878	7,252	21,454	2,783
3	10,354	7,605	21,936	2,846

* "Waiver services" reflect state and federal costs only, after any beneficiary cost-sharing has been subtracted from the total cost of services.

Family Care Aged / Disabled

NUMBER OF UNDUPLICATED INDIVIDUALS SERVED

YEAR	UNDUPLICATED INDIVIDUALS
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1	<u>7,788</u>
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2	<u>8,392</u>
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3	<u>9,045</u>
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Check one:

☐ The State will make waiver services available to the target group up to the number of unduplicated individuals estimated for each waiver year.

☒ The State will make waiver services available to the target group up to the lesser of the number of unduplicated individuals estimated for each waiver year, or the number authorized by the State legislature for that time period.

The State will inform HCFA in writing of any limit which is less than factor C for that waiver year.

APPENDIX G-2

METHODOLOGY FOR DERIVATION OF FORMULA VALUES

FACTOR D

LOC: NF

The July 25, 1994 final regulation defines Factor D as:

"The estimated annual average per capita Medicaid cost for home and community-based services for individuals in the waiver program."

The demonstration of Factor D estimates is on the following page.

(See also worksheets in Attachment G-2)

Family Care Aged / Disabled

APPENDIX G-2

FACTOR D

LOC: NF

Demonstration of Factor D estimates¹:

Waiver Year 1 X 2 3

Waiver Service as defined in Appendix B-1	#Unduplicated Individuals (users) (expressed as whole numbers)	Average # Annual Units/User (Specify units)	Average Unit Cost	Cost/Unit (Specify units)	Total
Column A	Column B	Column C	Column D		Column E
1. Case Management	7,788	20.1150	39.5141	Hours	\$ 6,190,106
2. Supportive Home Care					
SHC Personal Care	4,030	301.7866	14.2937	Hours	\$ 17,383,998
SHC Supervision	430	720.0000	14.2731	Hours	\$ 4,418,952
SHC Routine Home Care Services	4,430	503.9278	10.8670	Hours	\$ 24,259,492
SHC Chore Services	4,430	45.1016	10.8649	Hours	\$ 2,170,808
3. Respite Care	335	156.9313	9.8822	Hours	\$ 519,527
4. Adult Day Care	729	312.9973	9.8974	Hours	\$ 2,258,340
5. Habilitation					
Day Services	99	467.6364	12.9446	Hours	\$ 599,283
Prevocational Services	4	1,040.0000	8.3798	Hours	\$ 34,860
Supported Employment	4	229.0000	30.0753	Hours	\$ 27,549
Daily Living Skills Training	203	334.0000	18.3158	Hours	\$ 1,241,848
6. Home Modifications	315	1.0000	1,679.4661	Projects	\$ 529,032
7. Transportation (Specialized Transp.)	1,174	156.4702	4.9393	Trips	\$ 907,330
8. Specialized Med Equip/Supplies	475	9.0000	28.8816	Items	\$ 123,469
9. Personal Emerg Response System	2,259	9.0022	27.6498	None	\$ 562,285
10. Residential Services					
Adult Family Home 1-2 beds	130	265.3000	46.6359	Days	\$ 1,608,426
Adult Family Home 3-4 beds	91	267.5714	52.2285	Days	\$ 1,271,712
Community-Based Residential Facility	480	265.0000	42.9519	Days	\$ 5,463,482
Residential Care Apartment Complex	36	270.0000	58.3754	Days	\$ 567,409
Children's Foster/Treatment Homes	2	270.0000	58.3754	Days	\$ 31,523
11. Adaptive Aids	911	3.9835	201.5665	Items	\$ 731,478
12. Communication Aids	67	2.8507	109.3344	Items	\$ 20,883
13. Consumer Training & Education	2	8.0000	183.9468	Hours	\$ 2,943
14. Counseling/Therapeutic Resources	492	47.3659	54.4271	Hours	\$ 1,268,370
15. Home Delivered Meals	1,534	156.0000	4.4433	Meals	\$ 1,063,299
16. Housing Counseling	3	32.0000	48.6900	Hours	\$ 4,674
17. Skilled Nursing	76	40.0000	59.2443	Hours	\$ 180,103
GRAND TOTAL (sum of Column E):					\$ 73,441,180
TOTAL ESTIMATED UNDUPLICATED INDIVIDUALS:					7,788
FACTOR D (Divide grand total of Column E by number of unduplicated individuals):					\$ 9,430.0437
AVERAGE LENGTH OF STAY ON WAIVER: <u> 277 </u> (not to exceed 365 days)					

¹ Estimated costs are reduced by the estimated amount of participant cost sharing.

Family Care Aged / Disabled

APPENDIX G-2

FACTOR D

LOC: NF

Demonstration of Factor D estimates¹:

Waiver Year 1 2 X 3

Waiver Service as defined in Appendix B-1	#Unduplicated Individuals (users) (expressed as whole numbers)	Average # Annual Units/User (Specify units)	Average Unit Cost	Cost/Unit (Specify units)	Total
Column A	Column B	Column C	Column D		Column E
1. Case Management	8,392	20.1106	40.8252	Hours	\$ 6,889,994
2. Supportive Home Care					
SHC Personal Care	4,441	301.6753	14.7646	Hours	\$ 19,780,725
SHC Supervision	471	720.0000	14.7418	Hours	\$ 4,999,239
SHC Routine Home Care Services	4,881	503.6837	11.2274	Hours	\$ 27,602,340
SHC Chore Services	4,881	45.0953	11.2256	Hours	\$ 2,470,869
3. Respite Care	361	157.0083	10.2105	Hours	\$ 578,731
4. Adult Day Care	789	312.9962	10.2355	Hours	\$ 2,527,698
5. Habilitation					
Day Services	107	467.8879	13.3552	Hours	\$ 668,615
Prevocational Services	5	1,040.0000	8.6248	Hours	\$ 44,849
Supported Employment	4	229.0000	30.9546	Hours	\$ 28,354
Daily Living Skills Training	217	332.9032	18.8498	Hours	\$ 1,361,709
6. Home Modifications	340	1.0000	1,740.7792	Projects	\$ 591,865
7. Transportation (Specialized Transp.)	1,265	156.4364	5.1031	Trips	\$ 1,009,863
8. Specialized Med Equip/Supplies	512	9.0000	29.8421	Items	\$ 137,512
9. Personal Emerg Response System	2,423	9.0021	28.5687	None	\$ 623,143
10. Residential Services					
Adult Family Home 1-2 beds	140	266.0000	48.3887	Days	\$ 1,801,995
Adult Family Home 3-4 beds	97	268.0412	53.0330	Days	\$ 1,378,858
Community-Based Residential Facility	518	265.0000	44.3805	Days	\$ 6,092,111
Residential Care Apartment Complex	39	270.0000	60.3167	Days	\$ 635,135
Children's Foster/Treatment Homes	2	270.0000	60.3167	Days	\$ 32,571
11. Adaptive Aids	982	3.9817	208.7267	Items	\$ 816,128
12. Communication Aids	72	2.8333	113.8509	Items	\$ 23,225
13. Consumer Training & Education	2	8.0000	189.3250	Hours	\$ 3,029
14. Counseling/Therapeutic Resources	529	47.4102	56.2273	Hours	\$ 1,410,180
15. Home Delivered Meals	1,648	156.0000	4.5911	Meals	\$ 1,180,317
16. Housing Counseling	3	32.0000	50.2406	Hours	\$ 4,823
17. Skilled Nursing	82	40.0000	61.2145	Hours	\$ 200,784
GRAND TOTAL (sum of Column E):					\$ 82,894,662
TOTAL ESTIMATED UNDUPLICATED INDIVIDUALS:					8,392
FACTOR D (Divide grand total of Column E by number of unduplicated individuals):					\$ 9,877.8196
AVERAGE LENGTH OF STAY ON WAIVER: <u> 277 </u> (not to exceed 365 days)					

¹ Estimated costs are reduced by the estimated amount of participant cost sharing.

Family Care Aged / Disabled

APPENDIX G-2

FACTOR D

LOC: NF

Demonstration of Factor D estimates¹:

Waiver Year 1 2 3 X

Waiver Service as defined in Appendix B-1	#Unduplicated Individuals (users) (expressed as whole numbers)	Average # Annual Units/User (Specify units)	Average Unit Cost	Cost/Unit (Specify units)	Total
Column A	Column B	Column C	Column D		Column E
1. Case Management	9,045	20.1079	42.0142	Hours	\$ 7,641,373
2. Supportive Home Care					
SHC Personal Care	4,941	301.5058	15.1895	Hours	\$ 22,628,408
SHC Supervision	506	720.0000	15.1764	Hours	\$ 5,529,066
SHC Routine Home Care Services	5,416	503.3198	11.5540	Hours	\$ 31,495,973
SHC Chore Services	5,416	45.0859	11.5518	Hours	\$ 2,820,779
3. Respite Care	389	156.9357	10.5086	Hours	\$ 641,529
4. Adult Day Care	854	312.9953	10.5412	Hours	\$ 2,817,642
5. Habilitation					
Day Services	115	468.1043	13.8141	Hours	\$ 743,641
Prevocational Services	5	1,040.0000	8.9587	Hours	\$ 46,585
Supported Employment	4	229.0000	32.1528	Hours	\$ 29,452
Daily Living Skills Training	234	332.5470	19.4325	Hours	\$ 1,512,159
6. Home Modifications	366	1.0000	1,787.8699	Projects	\$ 654,360
7. Transportation (Specialized Transp.)	1,364	156.4384	5.2518	Trips	\$ 1,120,639
8. Specialized Med Equip/Supplies	552	9.0000	30.7078	Items	\$ 152,556
9. Personal Emerg Response System	2,600	9.0019	29.3981	None	\$ 688,061
10. Residential Services					
Adult Family Home 1-2 beds	151	265.9603	49.8741	Days	\$ 2,002,944
Adult Family Home 3-4 beds	106	268.4906	55.8630	Days	\$ 1,589,861
Community-Based Residential Facility	559	265.0000	45.6680	Days	\$ 6,765,029
Residential Care Apartment Complex	41	270.0000	62.0665	Days	\$ 687,076
Children's Foster/Treatment Homes	3	270.0000	62.0665	Days	\$ 50,274
11. Adaptive Aids	1,058	3.9830	214.4804	Items	\$ 903,823
12. Communication Aids	77	2.8442	116.6639	Items	\$ 25,550
13. Consumer Training & Education	2	8.0000	196.6535	Hours	\$ 3,146
14. Counseling/Therapeutic Resources	571	47.3853	57.8663	Hours	\$ 1,565,689
15. Home Delivered Meals	1,771	156.0000	4.7243	Meals	\$ 1,305,211
16. Housing Counseling	3	32.0000	52.0900	Hours	\$ 5,001
17. Skilled Nursing	89	40.0000	62.9903	Hours	\$ 224,245
GRAND TOTAL (sum of Column E):					\$ 93,650,074
TOTAL ESTIMATED UNDUPLICATED INDIVIDUALS:					9,045
FACTOR D (Divide grand total of Column E by number of unduplicated individuals):					\$10,353.7948
AVERAGE LENGTH OF STAY ON WAIVER: <u>277</u> (not to exceed 365 days)					

¹ Estimated costs are reduced by the estimated amount of participant cost sharing.

Family Care Aged / Disabled

APPENDIX G-3

METHODS USED TO EXCLUDE PAYMENTS FOR ROOM AND BOARD

Section 1915(c)(1) of the Act specifies that room and board may not be included in Medicaid payment for the cost of home and community-based services.

The purpose of this Appendix is to demonstrate that Medicaid does not pay the cost of room and board furnished to an individual under the waiver.

- A. The following service(s), other than respite care*, are furnished in residential settings other than the natural home of the individual (e.g., foster homes, group homes, supervised living arrangements, assisted living facilities, personal care homes, or other types of congregate living arrangements). (Specify):

None of the services provided in this waiver have a room and board component.

(Please check)

X Attached is an explanation of the method used by the State to exclude Medicaid payment for room and board. See Attachment G-3. A.

- B. The following service(s) are furnished in the home of a paid caregiver. (Specify):

(Please check)

_____ Attached is an explanation of the method used by the State to exclude Medicaid payment for room and board.

*NOTE: FFP may be claimed for the cost of room and board when provided as part of respite care in a Medicaid certified NF or ICF/MR, or when it is provided in a foster home or community residential facility that meets State standards specified in this waiver.)

APPENDIX G-4

METHODS USED TO MAKE PAYMENT FOR RENT AND FOOD EXPENSES OF AN UNRELATED LIVE-IN PERSONAL CAREGIVER

Section 1915(c)(1) of the Act permits the portion of costs of rent and food attributable to an unrelated live-in personal caregivers to be included in Medicaid payment for the cost of home and community-based services.

Check one:

☐ The State will not reimburse for the rent and food expenses of an unrelated live-in personal caregiver who lives with the individual(s) served on the waiver.

☒ The State will reimburse for the additional costs of rent and food attributable to an unrelated live-in personal caregiver who lives in the home or residence of the individual served on the waiver.

The service cost of the live-in personal caregiver and the costs attributable to rent and food are reflected separately in the computation of factor D (cost of waiver services) in Appendix G-2 of this waiver request.

(Please check)

☒ Attached is an explanation of the method used by the State to apportion the additional costs of rent and food attributable to the unrelated live-in personal caregiver that are incurred by the individual served on the waiver. See Attachment G-4.

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APPENDIX G-5

FACTOR D'

LOC: NF

NOTICE: On July 25, 1994, HCFA published regulations which changed the definition of factor D'. The new definition is:

"The estimated annual average per capita Medicaid cost for all other services provided to individuals in the waiver program."

Factor D' includes the following:

(Please check)

- ☒ The cost of all State plan services (including home health, expanded EPSDT, personal care, and adult day health care) furnished in addition to waiver services **WHILE THE INDIVIDUAL WAS ON THE WAIVER.**
- ☒ The cost of short-term institutionalization (hospitalization, NF, or ICF/MR) which began **AFTER** the person's first day of waiver services and ended **BEFORE** the end of the waiver year **IF THE PERSON RETURNED TO THE WAIVER.**

The calculation of Factor D' excludes the following:

(Please check)

- ☒ The costs of institutional care for persons who did **NOT** return to the waiver following institutionalization.
- ☒ Institutional costs incurred for individuals **BEFORE** they are first served under the waiver during the waiver year.
- ☒ Institutional respite care when provided as a service under this waiver. (Costs for such care are included, under Factor D, and are not duplicated in the calculation of Factor D'.

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APPENDIX G-5

FACTOR D' (cont.)

LOC: NF

Factor D' as defined in 42 CFR 441.303(f) is computed as follows (check one):

☐ Based on HCFA Form 2082 (relevant pages and explanation of computations attached).

☐ Based on HCFA Form 372 or 372(S) for years _____ of waiver
_____, which serves the same target population.

☐ Based on a statistically valid sample of paid claims for individuals with the disease or condition specified in item 3 of this request. (Attached)

☒ Other data sources (specify):

Based on HCFA Form 372 or 372(S) for 1999 using trending factor certified by the
Department's actuarial consultant. See Attachment G-5.

Family Care Aged / Disabled

APPENDIX G-6

FACTOR G

LOC: NF

The July 25, 1994 final regulation defines Factor G as:

"The estimated annual average per capita Medicaid cost for hospital, NF, or ICF/MR care that would be incurred for individuals served in the waiver, were the waiver not granted."

Provide data ONLY for the level(s) of care indicated in item 2 of this waiver request.

Factor G is computed as follows:

(Please check)

- ☐ Based on institutional costs shown on the 3 most recent, consecutive HCFA Form 2082s trended forward. Attached are the relevant pages and explanation of computations.
- ☐ Based on trends shown by HCFA Form 372 for years ___ of waiver # ____, which reflect costs for the same institutionalized population at this LOC. Attached is an explanation of any adjustments made to these numbers.
- ☐ Attached is an explanation of computation for trending.
- ☐ Based on a statistically valid random sample of paid claims for individuals institutionalized with this disease or condition at this LOC.
- ☐ Attached is a summary listing of the sample of paid claims and relevant computations.
- ☐ Based on State DRGs for the disease(s) or condition(s) indicated in item 3 of this request, plus outlier days.
- ☐ Attached are descriptions, computations, and an explanation of any adjustments for trending are attached to this Appendix.
- ☒ Other data sources (specify):
Based on HCFA Form 372 or 372S for 1999 using trending factor certified by the
Department's actuarial consultant. See Attachment G-5.

When institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G.

Family Care Aged / Disabled

APPENDIX G-7

FACTOR G'

LOC: NF

Factor G' is defined as:

The estimated annual average per capita Medicaid costs for all Medicaid services other than those included in Factor G for institutionalized individuals served in the waiver, were the waiver not granted.

Factor G' includes the following:

(Please check)

X The cost of all State plan services furnished WHILE THE INDIVIDUAL WAS INSTITUTIONALIZED.

X The cost of short-term hospitalization (furnished with the expectation that the person would return to the institution) which began AFTER the person's first day of institutional services.

When institutional respite care is provided as a service under this waiver, calculate its costs under Factor D. Do not duplicate these costs in your calculation of Factor G'.

Family Care Aged / Disabled

APPENDIX G-7

FACTOR G'

LOC: NF

Factor G' is computed as follows (check one):

☐ Based on HCFA Form 2082 (relevant pages attached).

☐ Based on HCFA Form 372 for B= for years of waiver
, which serves the same population at the LOC.

☐ Based on a statistically valid, random sample of actual paid claims for individuals with the
disease or condition specified in item 3 of this request.

☒ Other data sources (specify):

Based on HCFA Form 372 or 372(S) for 1999 using trending factor certified by the
Department's actuarial consultant. See Attachment G-5.

Family Care Aged / Disabled

APPENDIX G-8

DEMONSTRATION OF COST NEUTRALITY

LOC: NF

YEAR 1

FACTOR D:	<u>9,430</u>		FACTOR G:	<u>20,990</u>
FACTOR D':	<u>6,915</u>		FACTOR G':	<u>2,721</u>
TOTAL:	<u>16,345</u>	\leq	TOTAL:	<u>23,711</u>

YEAR 2

FACTOR D:	<u>9,878</u>		FACTOR G:	<u>21,454</u>
FACTOR D':	<u>7,252</u>		FACTOR G':	<u>2,783</u>
TOTAL:	<u>17,130</u>	\leq	TOTAL:	<u>24,237</u>

YEAR 3

FACTOR D:	<u>10,354</u>		FACTOR G:	<u>21,936</u>
FACTOR D':	<u>7,605</u>		FACTOR G':	<u>2,846</u>
TOTAL:	<u>17,959</u>	\leq	TOTAL:	<u>24,782</u>